

# NEXUS GROUP

PROPERTY TAX CONSULTANTS

## An Overview of Annual Trending Activities LaPorte County, 2004 – 2006

### 1. Data Clean-up

- Property Class Codes Corrections: 1,500+ parcels
- Percent Complete Corrections: 900+ parcels
- Sound or Site Value Corrections: 1,500+ parcels
- Land Rate Over-Ride Corrections: 20,000+ parcels
- Depreciation Over-Ride Corrections: 2,000+ parcels
- Variable Land Rate Over-ride Corrections: 100+

### 2. Michigan Township 2005 Equalization Study

- Study conducted along Lakeshore Drive for Long Beach (Lakeside & Hillside), Michiana Shores, Duneland, and Sheridan Beach (Lakeside & Hillside).
- Site visited approximately 1,000 residential properties (sold and unsold) along Lakeshore Drive areas with data corrections made on more than 90% of these parcels.
- New land values were created and new neighborhood factors were calculated.
- Total Increase in Assessed Values: \$38.2 million.
- Estimated Total Levy Increase/Tax Shift: \$855,000
- Appeals filed: 30.

### 3. Web & Data Sharing

- LaPorte County Assessment Website: Installed November 2006
- Greater Northwest Indiana Association of Realtors (GNIAR) Agreement: Service agreement signed by county assessor & GNIAR for exchange of realtor data and assessment data; special Microsoft Access program developed for LaPorte County realtors.

### 4. Income Databases

- Surveyed more than 3,000 potential rental homes throughout county.
- Created rental home database for 600 properties throughout the county; established expense ratios, market rents, capitalization rates, and gross rent multipliers (GRMs).
- Site visited all mobile home parks and collected rent data and corrected pad data; established per pad values based on rental and sales data and quality ratings.

### 5. Commercial & Industrial Rolling Reassessment<sup>sm</sup>

- Conducted site visits on 858 commercial and industrial improvements in Center and Lincoln townships.
- Made corrections on 768 parcels (90%), including changes to use type, wall, height, square footage, land allocation, grade, condition, effective age, and other objective criteria.

## 6. Residential Annual Trending: Land Values

- Calculated new acreage rates for 131 of 137 (or 96%) total residential neighborhoods in LaPorte County (See Tab 4).
- Calculated new front foot rates for 234 of 296 (or 79%) total residential neighborhoods in LaPorte County (See Tab 4)
- In 2005, the **median** homesite rate was \$9,600 per acre. In 2006, the **median** homesite rate increased to \$18,000 per acre, or 87.5 percent.
- Residential excess rates experienced similar increases, increase on average from \$3,200 per acre in 2005 to \$8,000 per acre in 2006.
- More than 300 residential and agricultural homesite parcels assessed with the woodland (\$180 per acre) classifications were changed to excess residential rates.
- Reviewed all influence factors previously applied to residential land; reduced the number of parcels with influence factors by more than 400.

## 7. Residential Annual Trending: Improvements

- Of the 392 residential neighborhoods in Laporte County, new neighborhood factors were applied to 326 neighborhoods, or 83 percent.
- Effective age, grade and condition studies were conducted in numerous neighborhoods throughout Laporte County, including all neighborhoods in Dewey and Lincoln Townships and select neighborhoods in Center, Clinton, Coolspring, Hannah, Hudson, Michigan and Springfield townships.

## 8. Commercial & Industrial Trending

- As detailed in Tab 21, LaPorte County adopted Nexus Group's 2006 cost table updates. These copy written tables reflect the increase in construction costs from 1999 costs (the basis for values in the 2002 General Reassessment) to 2005 (the basis for values in the 2006 Annual Trending process). These tables were applied to all commercial and industrial improvements; additionally the depreciation year was updated to 2005.
- Nexus Group's Construction Cost Index (CCI<sup>sm</sup>) was developed using data from various indices developed by the U.S. Bureau of Labor Statistics, state-specific construction costs developed by state agencies, internet sources, appraisals, and actual construction costs provided by Indiana taxpayers.
- As detailed in Tab 4, LaPorte County calculated new front foot and acreage rates for 88 of 10 total commercial and industrial neighborhoods.

## 9. Summary of Subjective Variable Changes to Improved Residential, Commercial and Industrial Parcels.

|                | <u>Unsold</u> | <u>Sold</u>  | <u>Total</u>  |
|----------------|---------------|--------------|---------------|
| Grade:         | 3,448         | 777          | 4,225         |
| Condition:     | 1,724         | 371          | 2,095         |
| Effective Age: | 1,305         | 589          | 1,894         |
| Land Values:   | <u>34,312</u> | <u>1,977</u> | <u>36,289</u> |
| Total:         | 40,789        | 3,714        | 44,503        |